

POPULAR ANNUAL FINANCIAL REPORT

FISCAL YEAR END
April 30, 2024



2023
2024



Village of Libertyville, 118 West Cook
Libertyville, IL 60048

Phone: 847-362-2430

Report Overview

Residents of the Village of Libertyville, Illinois

The Village of Libertyville is pleased to present the Popular Annual Financial Report (PAFR) for the fiscal year ended April 30, 2024. This report is designed to provide citizens and other interested parties with a user-friendly overview of the Village's financial results and increase transparency of the audited financial statements in the Village's 2024 Annual Comprehensive Financial Report (ACFR). The 2024 ACFR was audited by Lauterbach & Amen and has received an unmodified or "clean" audit opinion.

The PAFR is not required to present the same level of detail as the ACFR, rather, this report highlights the overall financial condition and trends of the Village. For a more in-depth look at the Village's current financial position, please see the Annual Comprehensive Financial Report on our website. If you have any questions regarding the information presented on the following pages, please contact the Finance Department at (847) 362-2430.



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Award for Outstanding Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to the Village of Libertyville for its Popular Annual Financial Report for Fiscal Year 2023-2024.

The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious award recognizing conformance with the highest standards for preparation of state and local government popular reports.



Government Finance Officers Association

Award for
Outstanding
Achievement in
Popular Annual
Financial Reporting

Presented to

**Village of Libertyville
Illinois**

For its Annual Financial Report
For the Fiscal Year Ended

April 30, 2023

Christopher P. Merrill
Executive Director/CEO

About the Organization

Incorporated in 1882, the Village of Libertyville is a non-home rule community as defined by the Illinois Constitution. The Village is located in Lake County and lies approximately thirty-five miles north of the City of Chicago and seven miles west of Lake Michigan. Libertyville covers an area of approximately nine square miles with unincorporated areas to the north and northwest.

The Village has a strong transportation link to the Chicago metropolitan area and the interstate highway system. The Village is within one-half mile of Interstate 94 (Tri-State Tollway), the highway which connects the Chicago metropolitan area to Milwaukee.

The Village provides a full range of services, including building and zoning, code enforcement, maintenance of streets, bridges and sewers, police, fire protection and paramedic services, parks and recreation, water distribution and water transmission and treatment.



★ Designed by TownMapsUSA.com



LIBERTYVILLE ELECTED OFFICIALS

As of April 30, 2024

The Village is governed by a Mayor and Board of six trustees. Policy making and legislative authority are vested in the Village Board. The Village Board is responsible for passing ordinances, adopting the budget, appointing committees and appointing the Village Administrator, Village Attorney and certain department heads. The Village Administrator is responsible for carrying out the policy and ordinances of the Mayor and Village Board of Trustees and for overseeing the day-to-day operations of the Village. The Mayor and Village Board are elected at large on a non-partisan basis to four year staggered terms.



Donna Johnson
Mayor
Term: 2021-2025



Scott Adams
Village Trustee
Term: 2023-2027



Peter Garrity
Village Trustee
Term: 2023-2027



Matthew Hickey
Village Trustee
Term: 2021-2025



Matthew Krummick
Village Trustee
Term: 2021-2025



Casey Rooney
Village Trustee
Term: 2023-2025



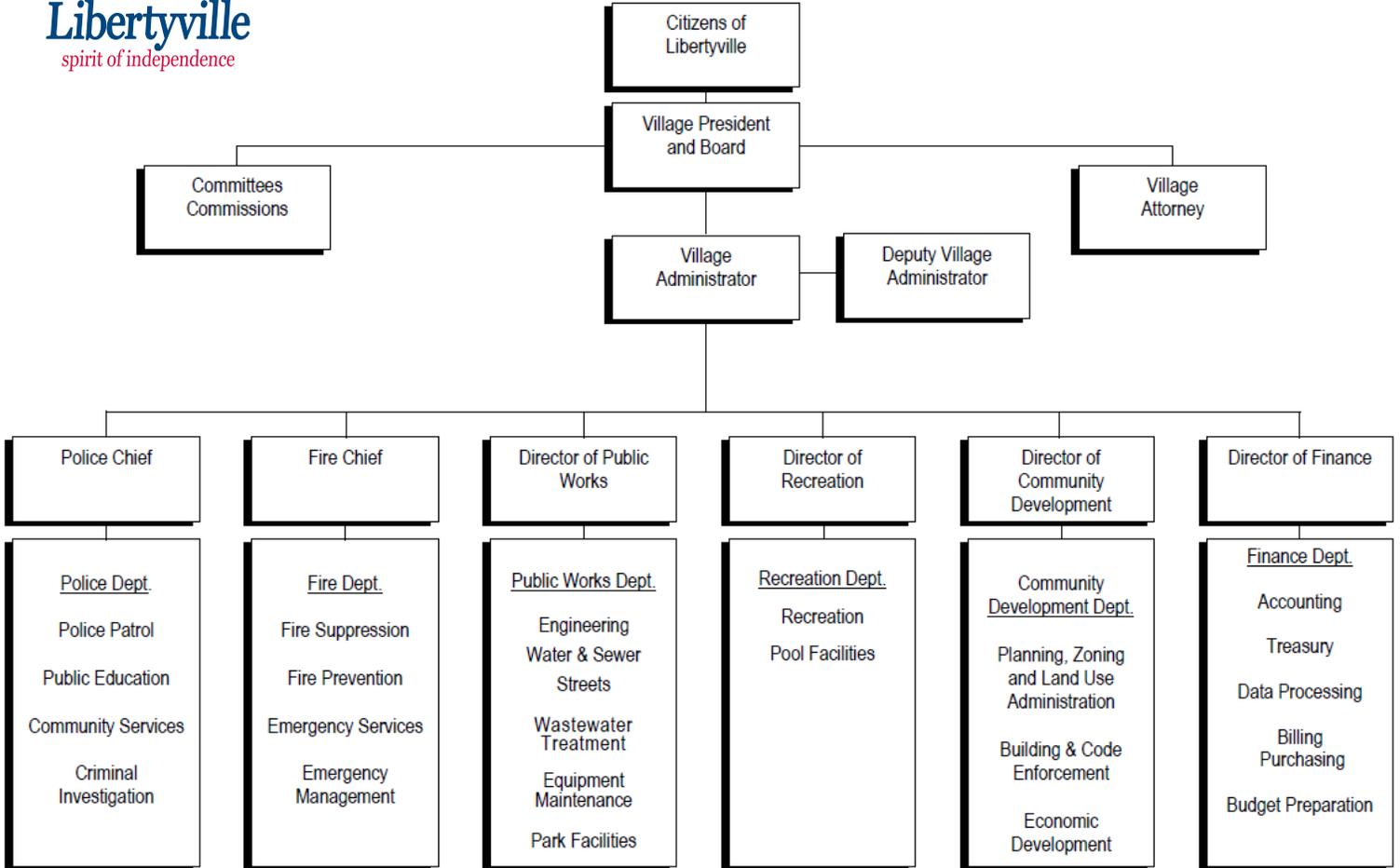
James Connell
Village Trustee
Term: 2023-2027

*Not Pictured: Village Clerk Margaret Clark
Term: 2023-2025*

Organizational Structure



Village Government Organizational Chart



Executive Management Team

As of April 30, 2024



Village Administrator	Kelly A. Amidei
Deputy Village Administrator	Ashley R. Engelmann
Director of Finance/Treasurer	Denise R. Joseph
Director of Public Works	Paul K. Kendzior
Director of Community Development	John P. Spoden
Chief of Police	Edmondo Roncone
Fire Chief	Michael Pakosta
Director of Recreation	Matthew C. LaPorte

Libertyville At A Glance



Libertyville is a scenic place to live and visit. It has a well balanced mix of business and residential areas, beautiful natural settings, and an evolving community experience.



Village of Libertyville Community Snapshot 4/30/24

Incorporated:	1882
County:	Lake
Form of Government:	Council/Administrator
Total Taxable Assessed Value (2023 Levy):	\$1,431,089,190
Unemployment Rate:	4.50%
Fiscal Year:	May 1 to April 30
Bond Rating from Moody's Investor Service:	Aa1
# of Full-Time Equivalent Employees:	159
# of Water Main Breaks	20
Annual Resurfacing Program (\$)	\$1,743,755
Number of Building Permits Issued:	3,130
Police Calls for Service	36,203
Fire/EMS Calls for Service	5,270

2020 Census Population



20,579

Number of Households



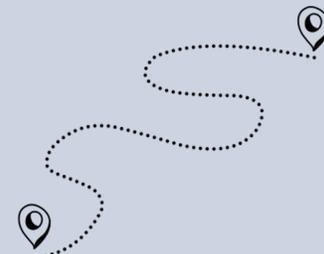
7,298

Per Capita Personal Income



\$72,487

Square Miles



9.16

Financial Highlights

A balance sheet provides a snapshot of what the Village currently owns (assets) and owes (liabilities), as well as sources (deferred inflows) and uses (deferred outflows) that will be recognized in a future year. Net position represents the Village's investment in the assets it uses to provide services to its citizens.

Increases or decreases in net position may serve as a useful indicator of whether the Village's financial position is improving or declining. The Village's total net position for government and business-type activities increased 11.0% from \$153.8 million to \$170.7 million. A significant driving factor behind this increase is an increase in certain current and other assets versus the prior year, such as an increase in charges for service and investment income.

By far the largest portion of the Village's net position, \$163.6 million, reflects its investment in capital assets (for example, land, buildings, machinery, equipment and infrastructure), less any related debt used to acquire those assets that is still outstanding.

Statement of Net Position as of April 30, 2024

Account	Governmental Activities		Business-Type Activities		Total Primary Government	
	Current Year	Prior Year	Current Year	Prior Year	Current Year	Prior Year
Capital assets	\$ 142,045,102	143,042,738	62,844,107	51,942,872	204,889,209	194,985,610
Current and other assets	74,189,881	63,060,674	15,050,769	13,526,978	89,240,650	76,587,652
Total assets	216,234,983	206,103,412	77,894,876	65,469,850	294,129,859	271,573,262
Deferred outflows of resources	13,458,940	18,455,662	2,234,985	2,819,999	15,693,925	21,275,661
Total assets/deferred outflows	229,693,923	224,559,074	80,129,861	68,289,849	309,823,784	292,848,923
Long-term liabilities	83,733,542	88,435,565	32,309,759	25,378,618	116,043,301	113,814,183
Other liabilities	6,720,444	5,979,742	3,099,437	5,628,351	9,819,881	11,608,093
Total liabilities	90,453,986	94,415,307	35,409,196	31,006,969	125,863,182	125,422,276
Deferred inflows of resources	13,404,367	13,404,367	187,855	174,713	13,592,222	13,579,080
Total liabilities/deferred inflows	103,858,353	107,819,674	35,597,051	31,181,682	139,455,404	139,001,356
Net position:						
Net investment in capital assets	121,948,672	120,883,837	41,646,899	31,376,553	163,595,571	152,260,390
Restricted	4,330,819	3,982,558	-	-	4,330,819	3,982,558
Unrestricted	(73,106)	(8,126,905)	2,885,911	5,731,614	2,812,805	(2,395,291)
Total net position	126,206,385	116,739,490	44,532,810	37,108,167	170,739,195	153,847,657

Net position of the Village's governmental activities increased 8.1%, totaling \$126.2 million compared to \$116.7 million. Much of this increase is attributable to an increase in revenue of \$514,279 from building permits and grants as compared to a decrease of expenses. Net position of business-type activities increased by 20.0%, totaling \$44.5 million compared to \$37.1 million. This change is the result of increases in revenues that were greater than the decreases in expenses in the current year. Expenses in Waterworks and Sewerage Fund and Stormwater Sewer Fund came in under budget due to projects not being completed by April 30, 2024.

Governmental Activities

The Village Board along with the Village Administrator and Director of Finance are focused on efforts to maintain the long-term financial health through diversified revenue sources while strategically investing in community initiatives. These decisions range from increasing efficiencies to using valuable intergovernmental partnerships to maintain municipal service value to residents.

REVENUES

The Governmental Activities reflect the Village’s basic services, including police, fire, public works and general/ debt administration. Property taxes, local utility tax and shared state income and sales taxes, finance the majority of these activities. The business-type activities reflect fee-based operations (Water, Sewer, and Stormwater), where the charge for service typically covers all or most of the cost of operation, including capital.

For fiscal year ended April 30, 2024, revenues in governmental activities totaled \$49,981,746. Sales tax continues to be the Village’s largest revenue source totaling \$11,213,163, representing 22.4% of total Governmental Activities revenue.

Sales tax is the Village’s largest revenue source and is derived from the sale of tangible personal property at local businesses and online purchases delivered to Libertyville. The Village receives a 1% sales tax rate on all qualifying sales that take place. In addition, the Village imposes a 1.5% local non-home rule sales tax that supports capital projects.

Property tax is the third largest revenue source for the Village. This is levied annually by ordinance adopted by the Village Board of Trustees each December.

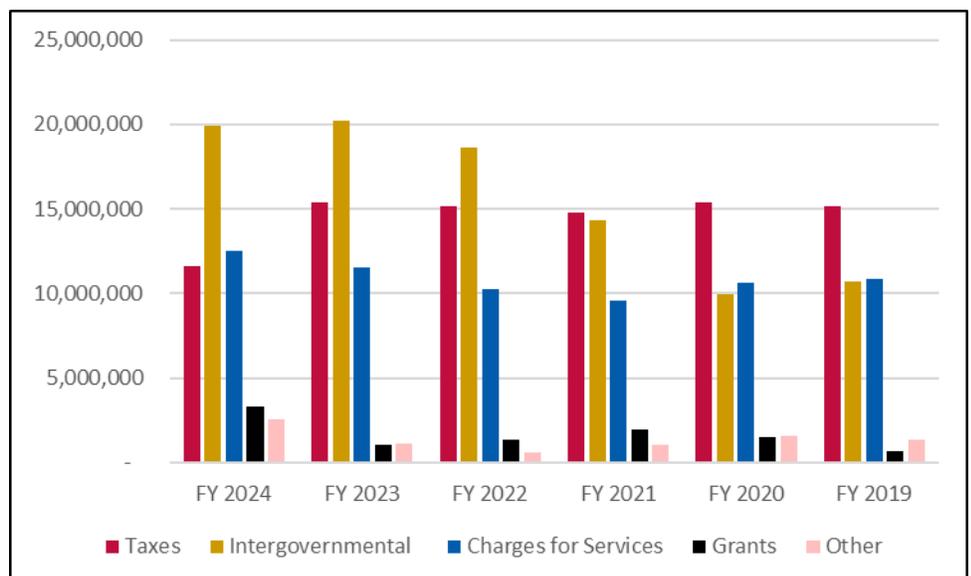
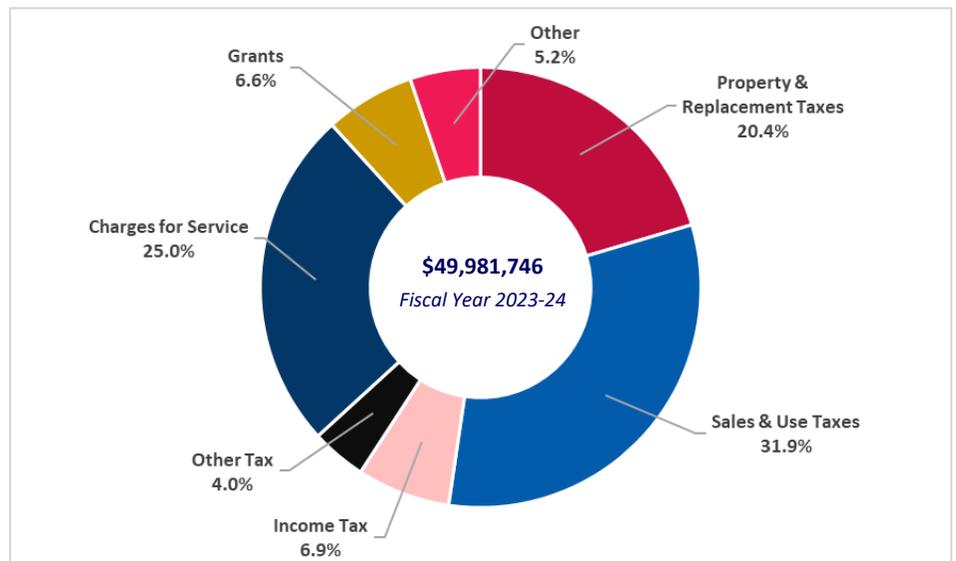
Income tax is levied by the State of Illinois on every individual, corporation, trust and estate earning or receiving income. The tax is calculated by multiplying net income by a tiered rate structure.

Other taxes includes utility and hotel/motel taxes.

Charges for services includes fees for ambulance service, rental and program fees, and general service fees.

Grants & Contributions includes grants received from the State of Illinois and federal government.

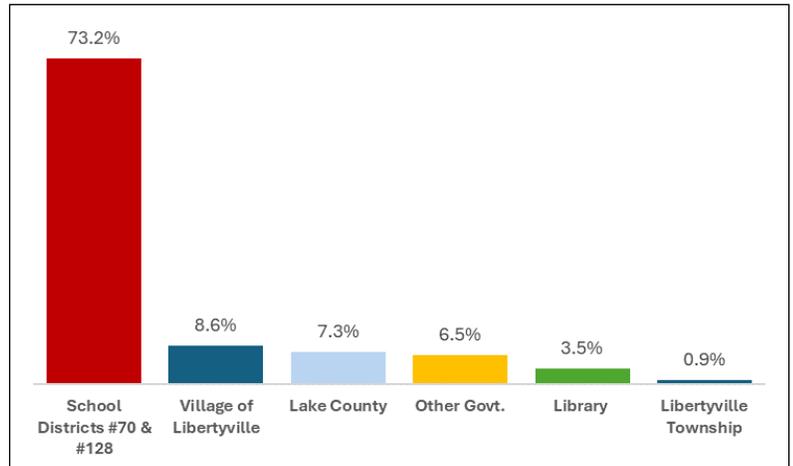
Other includes revenues not accounted for in the other categories, such as licenses and permits, fine and forfeitures, investment income, and miscellaneous revenue.



VILLAGE SHARE OF PROPERTY TAX BILL

Your property tax dollars are split between multiple taxing bodies to provide services you use every day, including schools, libraries, fire protection and more.

As indicated in the graphic on the right, the Village of Libertyville receives approximately 8.6% of the property tax collected. These taxes are used to support the day-to-day operations of the Village as well as our public safety pension funds and previously committed debt service payments. Village water, sewer, and storm sewer are self-supported through their own user fees and are not supported by property taxes.



As a non-home rule community, the Village of

Libertyville is under the Property Tax Extension Limitation Law (PTELL), which caps increase in property tax extensions. Increases in tax extensions are limited to the lesser of 5% or the percentage increase in the Consumer Price Index (CPI) for the year preceding the levy year.

A common misconception about property taxes is that all of the money goes to the Village. Property tax bills paid by residents and businesses are divided amongst several taxing districts, including the County, Township, Library, Schools and other taxing districts. The Village relies on a combination of sales tax, property taxes, and other fees collected to provide essential core services to its residents.

The amount due that appears on your tax bill is based on the following equation:

$$\text{EAV} / 100 \times \text{Tax Rate} = \text{Taxes Owed}$$

Your EAV, or equalized assessed value, is equal to one-third of the value of your home, as determined by the Township assessor, minus any exemptions you receive.

Therefore, if you own a property valued at \$500,000, your EAV would be \$166,667. A homestead exemption of \$6,000 would further reduce this amount to \$160,667. The tax rate is expressed as an amount per \$100 of EAV. Assuming a combined tax rate from all taxing bodies of 8.0536, your taxes owed would be \$12,939.48 and are calculated as follows:

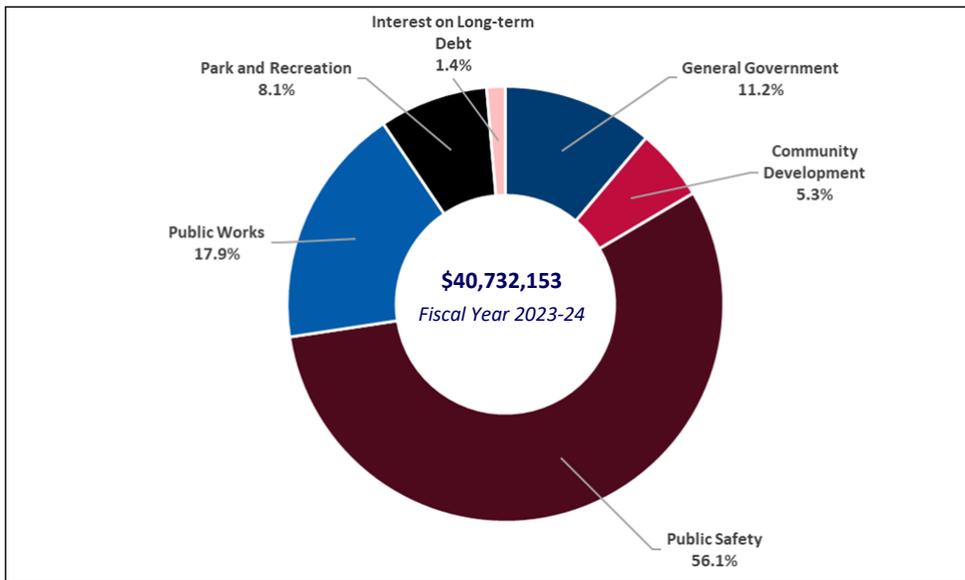
$$\text{\$160,667} / 100 \times 8.0536 = \text{\$12,939.48}$$

Of this total amount, **only \$1,113 (8.6%)** is distributed to the Village of Libertyville. The rest is split among other taxing bodies. Property taxes account for 19.86% of total Governmental revenues in the Village.

Governmental Activities

EXPENSES

For the fiscal year that ended April 30, 2024, expenses for governmental activities totaled \$40,732,153 compared to \$42,490,272 last fiscal year. Department expenses are below budget due to their efforts in managing and reducing spending.



General Government:

Includes several sub departments, such as, legislative, administration & finance department, legal and public buildings.

Community Development:

Includes planning, economic development and building services.

Park and Recreation:

Includes parks, recreation and swimming pool.

Public Safety:

Includes fire, police and emergency management services.

Public Works:

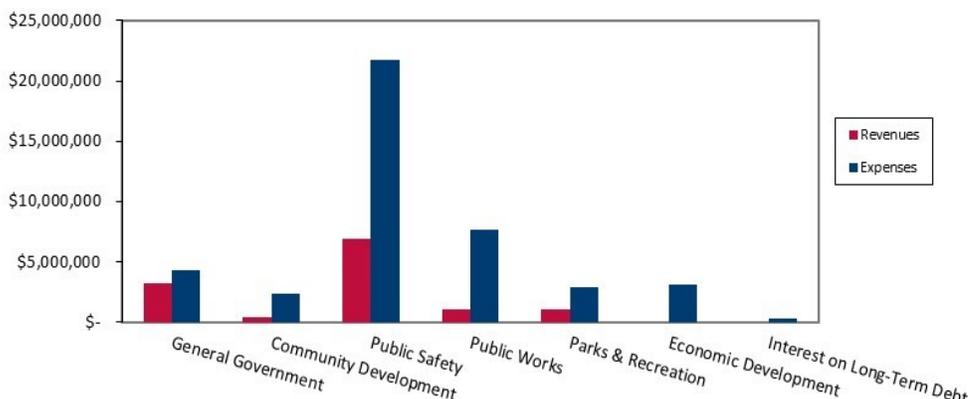
Includes engineering, snow removal and control, refuse and recycling. This also includes the two special service areas.

Long-Term Debt:

Includes interest payments for outstanding debt obligations.

Expenses and Program Revenues

The expenses and program revenues table below identifies those governmental functions where program expenses exceed revenues. Most governmental activities do not generate sufficient program revenues to fund operations. These activities are normally financed through general property and sales tax revenues.



Business-Type Activities

REVENUES/EXPENSES

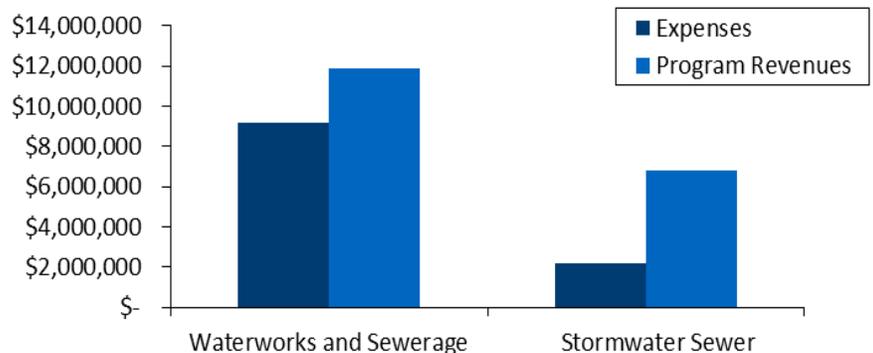
Certain services provided by the Village are classified as “business-type” services and are reported as “enterprise funds”, which are intended to be financially self-supporting as independent entities. The Village’s water and sewer and stormwater sewer are reported in this fashion.

In Fiscal Year 2024 the Village’s business-type activities increased 18.6% (\$19,009,168 in 2024 compared to \$16,022,552 in 2023), while expenses decreased 82.4% (\$11,367,133 in 2024 compared to \$20,735,954 in 2023). Key factors behind these results includes:

- Water and Sewer Fund charges for services (revenue) increased \$766,321 over last year due to an increase in water usage. This revenue source is highly subject to volatility, as it relates to weather and corresponding irrigation patterns.
- Stormwater Sewer Fund charges for services decreased \$8,638 over the prior year. The Fiscal Year 2023-24 Budget did not include a rate increase. Once depreciation of \$949,236, interest expense and transfers out of \$88,403 are included, an increase in net position of \$4,643,596 results. This increase is mainly due to grants received to offset the cost of the stormwater projects.



Expenses and Program Revenues - Business-Type Activities



The graph on the right compares program expenses to revenues for water and sewer operations, and the stormwater sewer operations.

Capital & Infrastructure Investments

MAJOR PROJECTS IN FISCAL YEAR 2024 INCLUDED:

- **Winchester Road Sanitary & Watermain Improvements:** Installation of 1,600 lineal feet (LF) of new sanitary sewer lines and 2,200 LF of watermain along Winchester Road between Loyola Drive & Jeremy Lane along with a water main crossing under Bull Creek located to the east. The sanitary sewer improvements eliminated an existing size constriction in the conveyance system. The watermain work eliminated an existing "chronic breaker" main. Construction costs were approximately \$1,850,000.
- **Rockland Corridor Flood Reduction**
Project: Approximately 3,000 LF of new storm sewers were installed throughout the neighborhoods immediately north of Rockland Road to address areas of localized flooding. The new sewers were ultimately connected to the large trunk sewer that was previously installed beneath Rockland Road several years prior. The final construction cost for this phase of the project was just under \$2.6M
- **Joint-Bid Communities Road Rehabilitation Program:** 2.25 miles (11,888 LF) of Village streets were milled, patched and resurfaced at a final construction cost of \$1,442,180. The project was through a joint-bid with the Villages of Mundelein and Vernon Hills and Libertyville Township.
- **Parking Lot Rehabilitations:** The badly deteriorated Newberry Avenue & Adler Cultural Center parking lots and the access drive at the Prairie Crossing Metra station were milled/resurfaced along with utility adjustments and new pavement markings at a construction cost of \$282,325.
- **Wastewater Treatment Plant Screen & Grit Improvements:** The replacement of the existing outdated screen and grit equipment with new modernized equipment (bar screen, grit collector & grit separator) and electrical controls along with an odor suppression system began this fiscal year. Construction will take at least years to complete. Current construction contract amount is \$2,049,000.



The Village of Libertyville continues to invest in capital assets. Assets purchased primarily with tax resources are classified as governmental and capital assets associated with fee-based operations have a business-type classification.

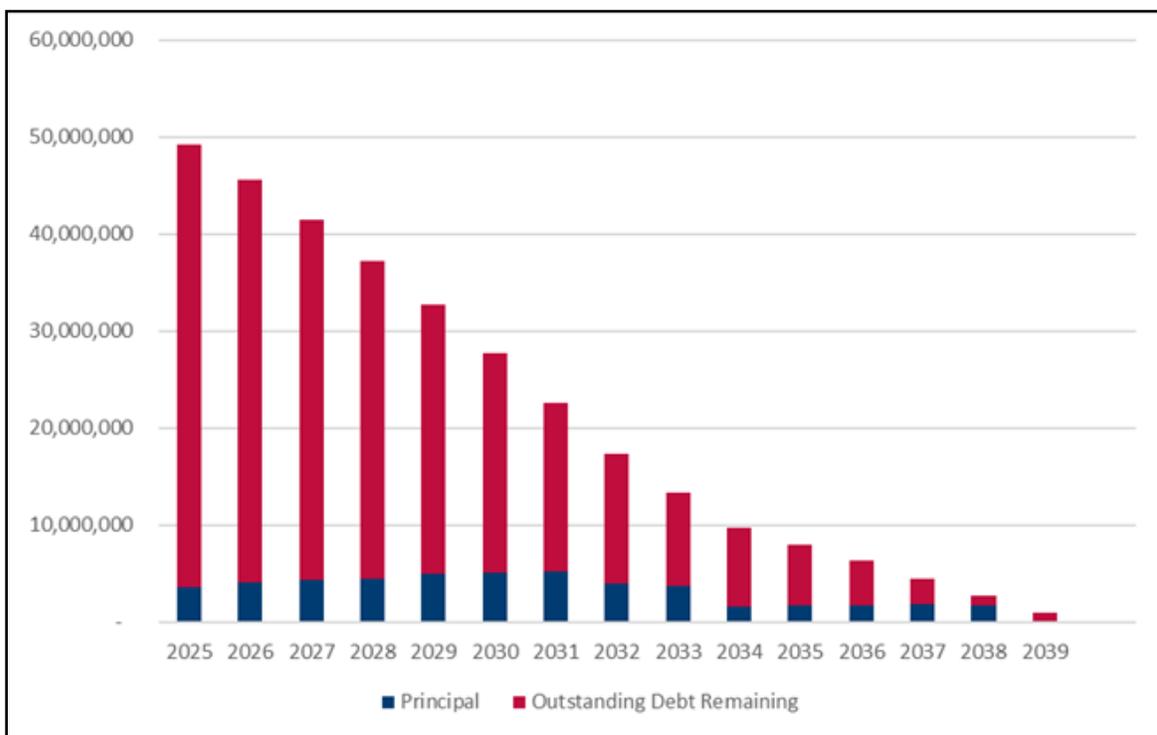
The Village's total investment in capital assets increased by approximately \$9.9 million primarily due to investments being made in the Village's Stormwater Sewer as recommended in the Village's Stormwater Feasibility Study.



Village Debt

The Village’s outstanding debt can be compared to owing a balance on several mortgages. Each year, the Village makes debt payments on outstanding debts. Each bond has a different maturity (pay-off) schedule. State statute limits the amount of general obligation debt a non-home rule community may issue to 8.625% of total assessed value. The current debt limitation for the Village of Libertyville is \$109,256,443, which significantly exceeds the Village’s outstanding general obligation debt of \$47,805,000. The following chart illustrates that even though the outstanding debt balance is paid down each year, the annual payment remains relatively the same. Please note the chart does not include the annual interest.

Outstanding Debt as Compared to Annual Principal Payment



Moody’s Long-Term Debt Rating Scale

- Lowest Risk
- Aaa
 - Aa1, **Aa2**, Aa3
 - A1, A2, A3
 - Baa1, Baa2, Baa3
 - Ba1, Ba2, Ba3
 - Caa1, Caa2, Caa
 - Ca
 - C
- Highest Risk

Moody’s Investors Service has assigned an Aa2 rating to the Village’s outstanding municipal bond issues. Aa2 ratings are judged to be of high quality and are subject to very low credit risk.

The Village of Libertyville has a strong capacity to repay bonds issued for capital improvement projects. A high creditworthiness allows the Village to borrow money at lower interest rates.

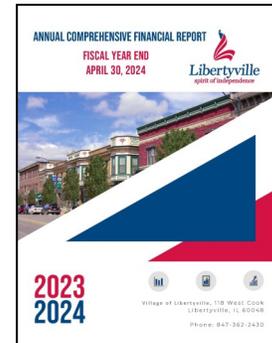
Key Terms

The following are definitions of terms used in this report and other financial reports of the Village:

- **Current and other assets:** These are the assets that can reasonably be expected to convert to cash, sell or consume within one year.
- **Capital assets:** These are the Village's long-term investments in land, buildings, equipment, improvements, infrastructure and construction in progress. The Village uses capital assets to provide services to the residents. Consequently, these assets are not available for operational or other similar costs.
- **Capital Improvement Plan (CIP):** This is a tool that allows municipalities to direct funds and implement policy initiatives towards long-term replacement of capital assets.
- **Debt Service Fund:** The debt service fund is used to account for the monies set aside for the payment of interest and principal to holders of the Village's General Obligation Bonds.
- **Deferred inflows:** These are the assets that can be expected to convert to cash, sell or consume within one year.
- **General Fund:** The general fund accounts for all revenues and expenditures of the Village, which are not accounted for in any other fund. This is an operating fund from which most of the current operations of the Village are financed.
- **Non-current liabilities:** This category mainly represents debt obligations of the Village, including general obligation bonds payable, compensated absences payable and net pension obligation payable.
- **Other liabilities/deferred inflows:** This category primarily includes debt that can be paid off in one year or less (current liabilities). This includes accounts payable and accrued interest payable.
- **Net invested in capital assets, net of related debt:** This category represents the Village's investment in capital assets less any related outstanding debt used to acquire those assets. However, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.
- **Restricted net position:** These are the resources that are subject to external restrictions on how they may be used. The Village of Libertyville has resources set aside for roadway maintenance, debt service and public safety. This category includes fund balances and net position reported in the Annual Comprehensive Financial Report (ACFR) as not spendable, restricted or assigned.
- **Total net position:** This figure represents total assets less total liabilities and is also reported as net position.
- **Unrestricted net position:** These are resources accessible to the Village in order to provide services to the residents of Libertyville if there are no additional revenues or resources available.

More Information

Interested in Learning More?



If you are interested in learning more about the Village, remember that you can view documents such as the Village's budgets and annual reports online at www.libertyville.com.

Connect with US at...

Village Website

- Sign up to receive important information about the Village;
- Make payments towards vehicle stickers, municipal citations and water and sewer utility bills;
- Register for recreation programs;
- Read official documents such as budgets and audits; and
- View meeting agendas and minutes of the Village Board, Committee of the Whole, and various Village commissions.

Social Media



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